

Who Wins, Who Loses, Who Cares:

What Do We Know About Who Participates and Who Does Not Participate In Health Protection and Promotion?



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STEPS to a Healthier US Workforce Symposium

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- Introduction
- Winners and Losers?
- Who Care? Employers
- A Reformation Process



What is MBGH?

- Nearly 70 self-funded, public and private employers employers working together
 - to improve the quality and cost-effectiveness of health care
 - Nearly 25 years old
 - Headquartered in Chicago
 - over 850,000 workers and spend over \$2.5 billion on health care.
- One of 90 coalitions in U.S.
 - Employers organized in regions
 - Over 12,000 employers covering 21.6 million lives

Who Wins, Who Loses?

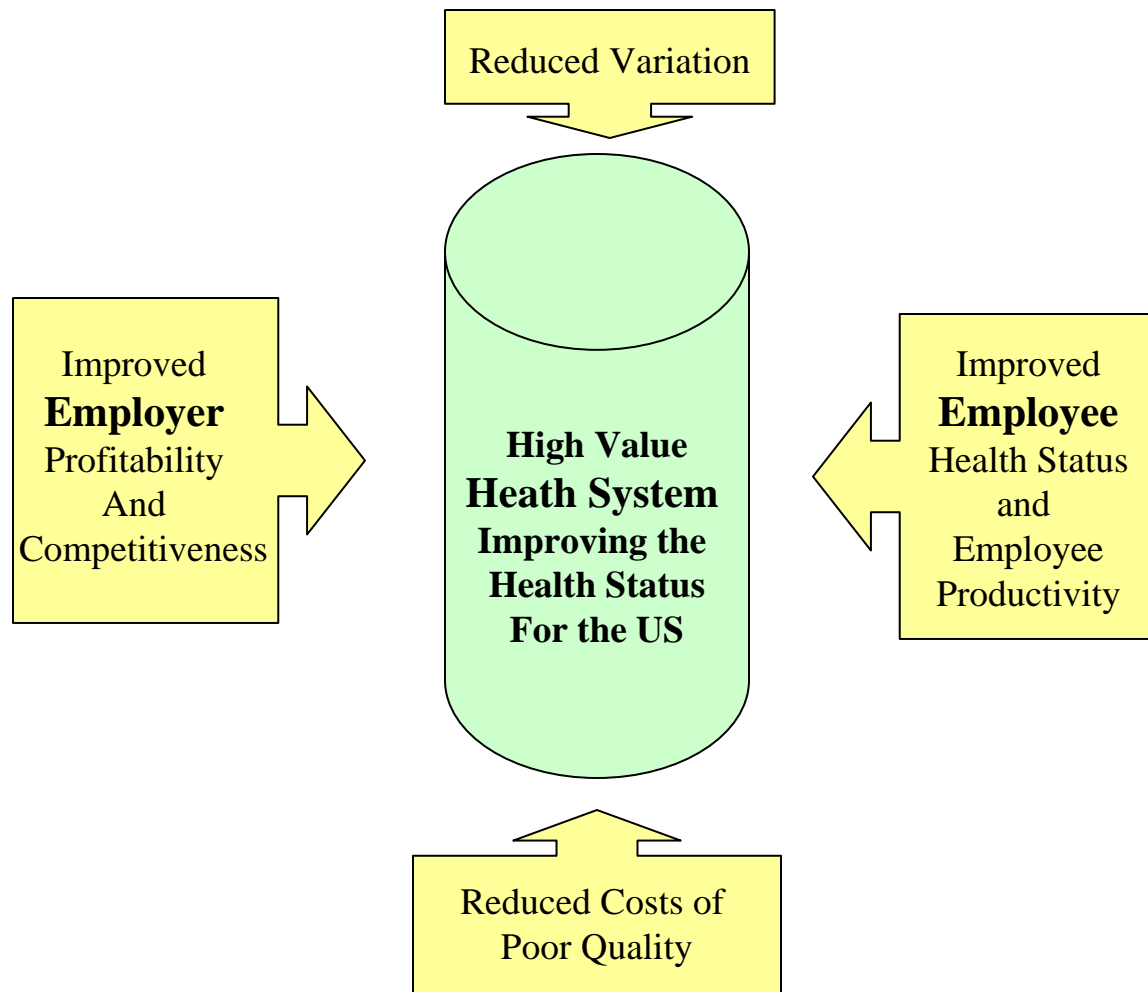


The Zero-Sum Game



**Beyond Winners
and Losers**

It Is About Creating More Value



Population Health Management...

As Practiced with

Today's Employers



If only our current silos were benign.



U. S. Health Status

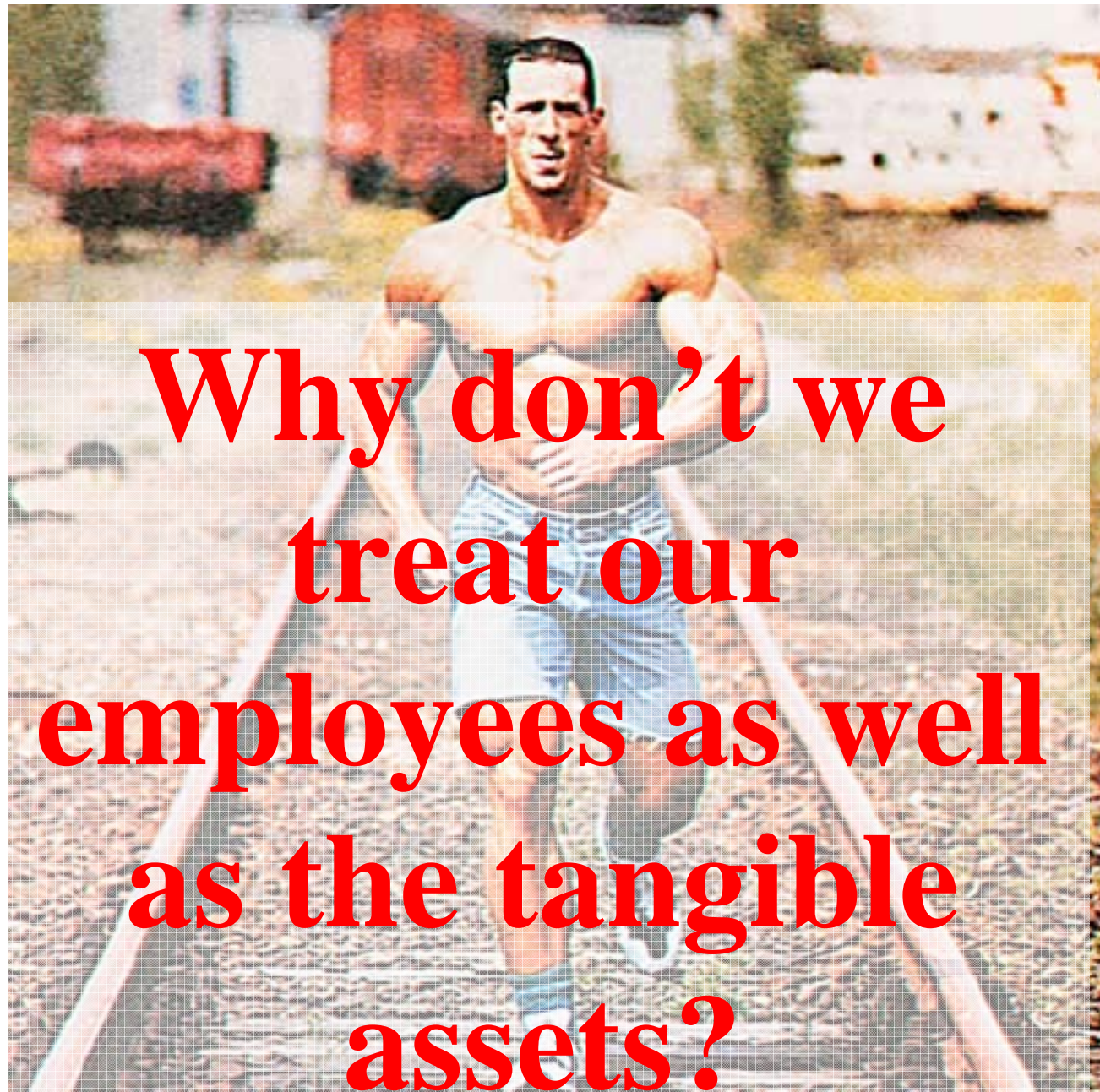


Who Cares?

**A Business Solution
for a Business Problem**

The Case for
Human Capital Management





The Business Problem: Human Capital Costs

- **Human Capital Costs**
 - Absenteeism
 - Presenteeism
- **Safety**
 - Critical Incidences

Direct Health Costs

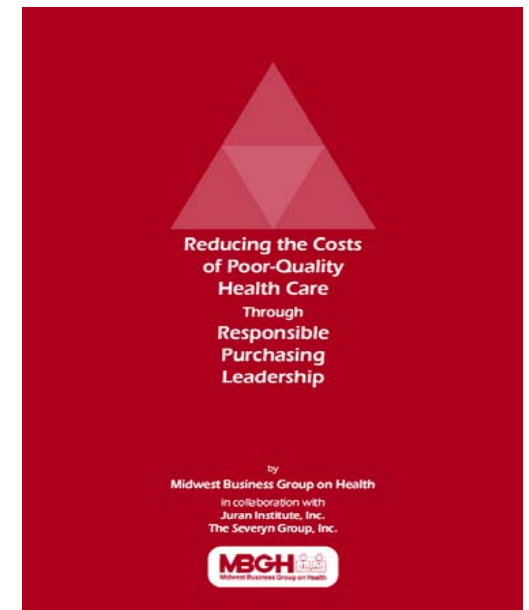
The cost of poor quality

MBGH-Juran Institute study found 30% of health benefits dollars

- \$390 billion a year - spent on waste*
- Over \$2000 per employee

Health care quality problems are:

- Widespread
- Often invisible to consumers and purchasers
- Costly
- Purchasers bear responsibility by paying for poor care
- Specific steps to improve quality and reduce costs



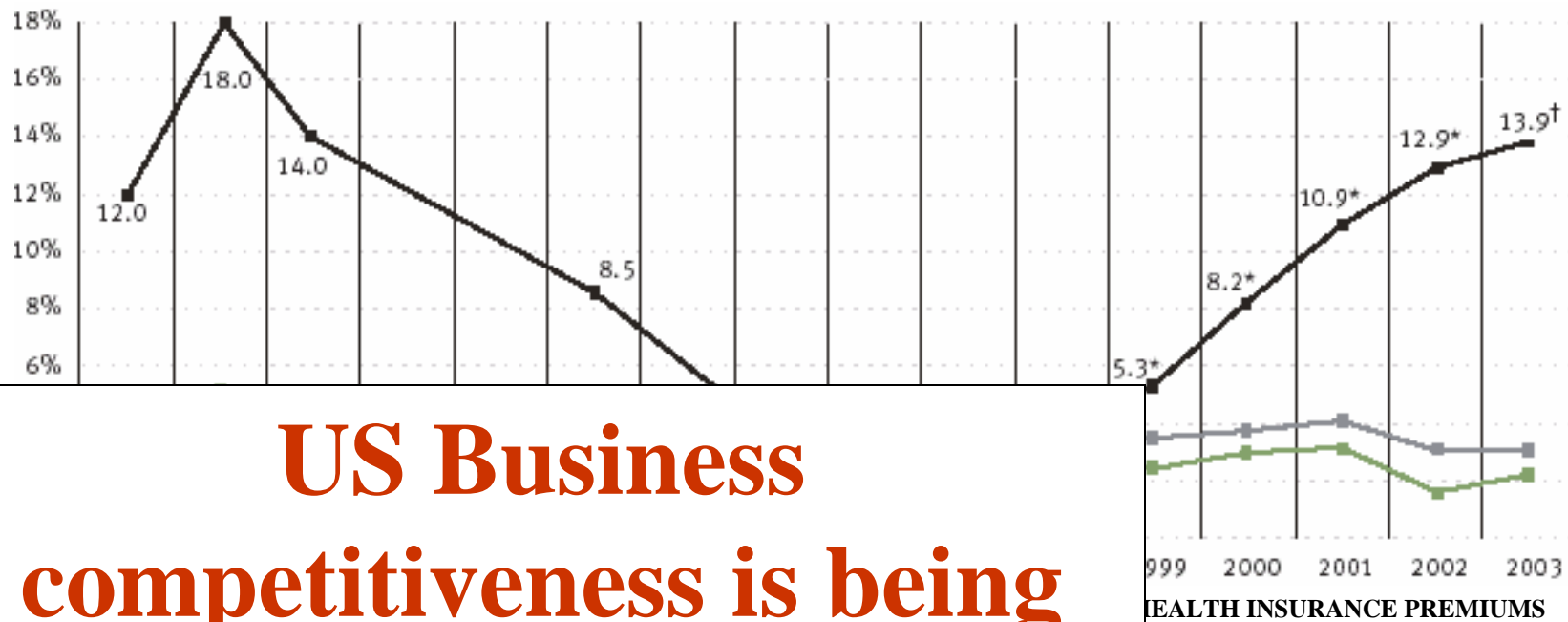
What is Health Care Quality?

- Individual Health Status
- Highest Level of function
- Efficiency
- Population Health Status

Health Costs, Low Economic Growth

Hurt US Competitiveness

Health Insurance Premiums Compared to Other Indicators.



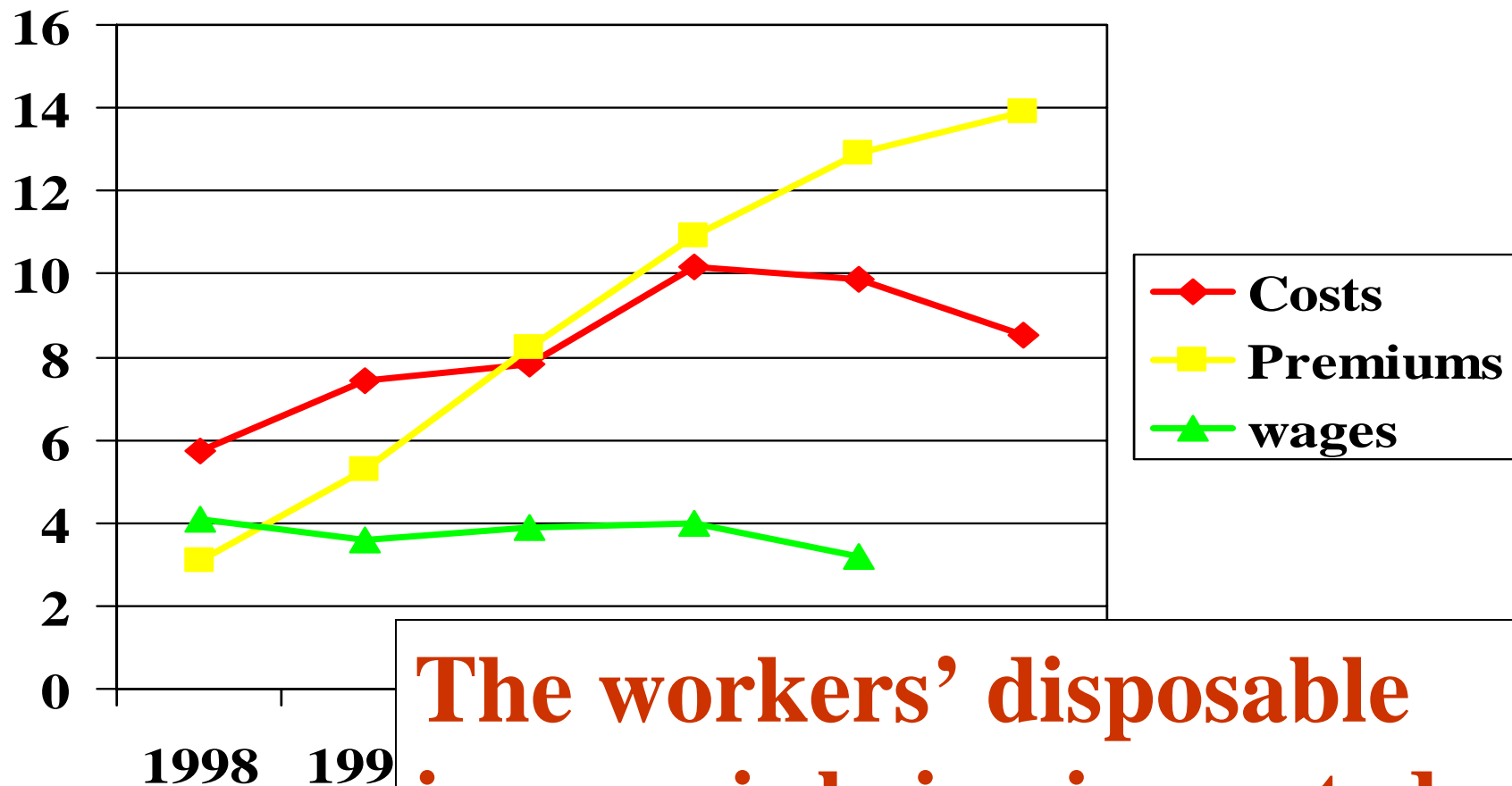
**US Business
competitiveness is being
harmed.**

Source:
Asso.
Inflat

Employment Statistics Survey: 1988-2002. Note: Data on premium increases reflect the cost of health insurance premiums for a family of four.

17/73

Health Costs Relative to Wages



The workers' disposable income is being impacted.

Source: KFF Employer Survey, premium data; Strunk and Ginsburg, cost data; 2003 EROP, wage data.

Union Pacific Railroad HERO - ME

Potential Cost Avoidance

Table 5 Projected Costs for Four Different Program Scenarios

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
1998 costs (in millions)	381.9	381.9	381.9	381.9
Projected Cost Increase (2008, in \$M)	99.6	88.5	78.9	22.2
Total 2008 Costs	481.5	470.4	460.8	404.1
Percent increase from 1998 to 2009	26.1%	23.2%	20.7%	5.8%

\$77.4M Opportunity

UP is predicted to have a 2.6% annual
increase in lifestyle related claims cost

Productivity

The Ceiling of Opportunity (Human Factors)

Health Status

The Ceiling of Opportunity (Human Factors)

Health Status

Productivity

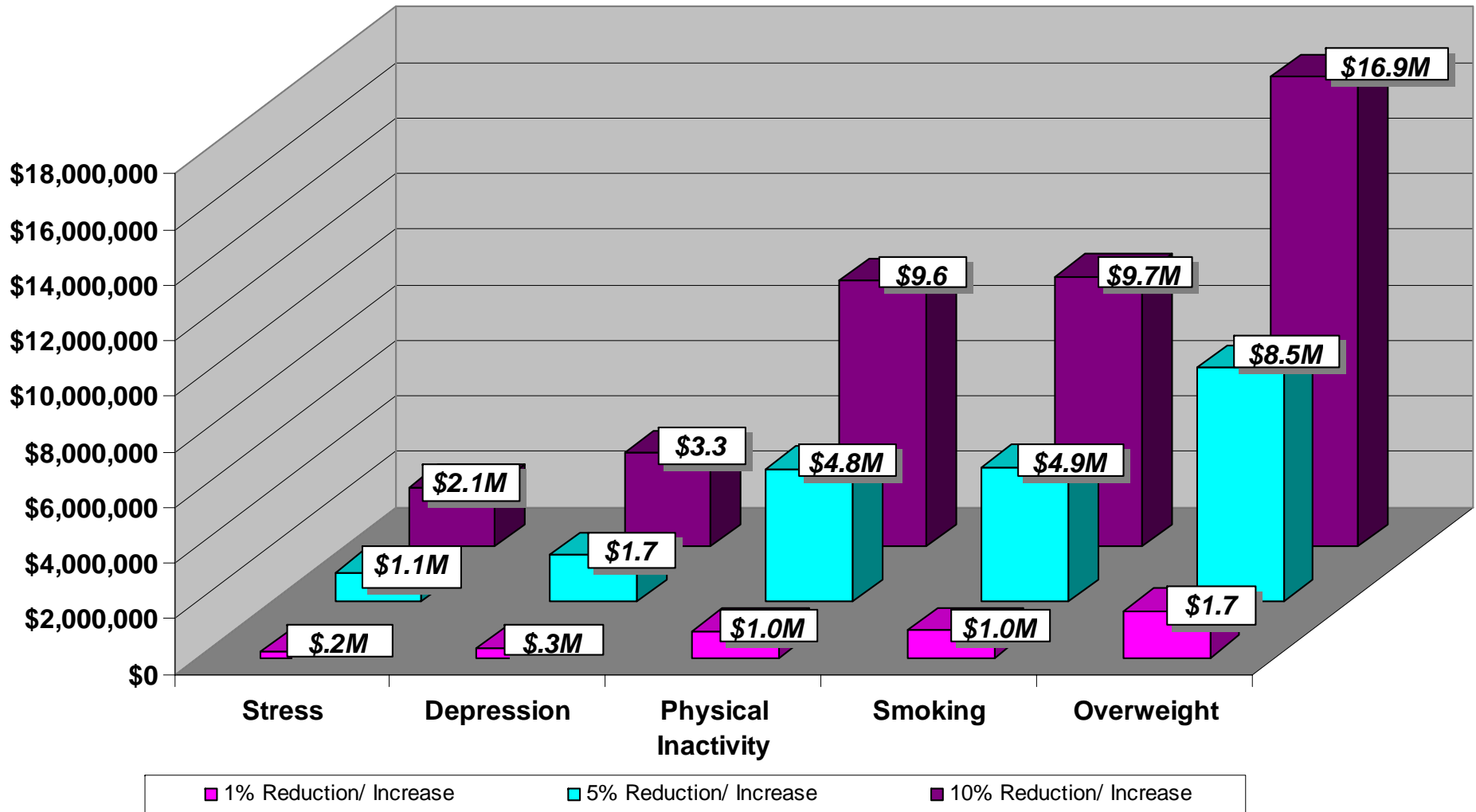
Technology
Work Practices
Management Practices
-Quality Improvement
-Training

Safety

Health and Safety

- Most significant predictors of injury besides age and tenure are:
 - health status
 - tobacco use
 - stress
 - weight
- Weight was significant for the 45+ years age group

Differences Between 1%, 5%, and 10% Reduction/Increase
of Risk Factors



UPRR Safety Costs Related to Health Risks

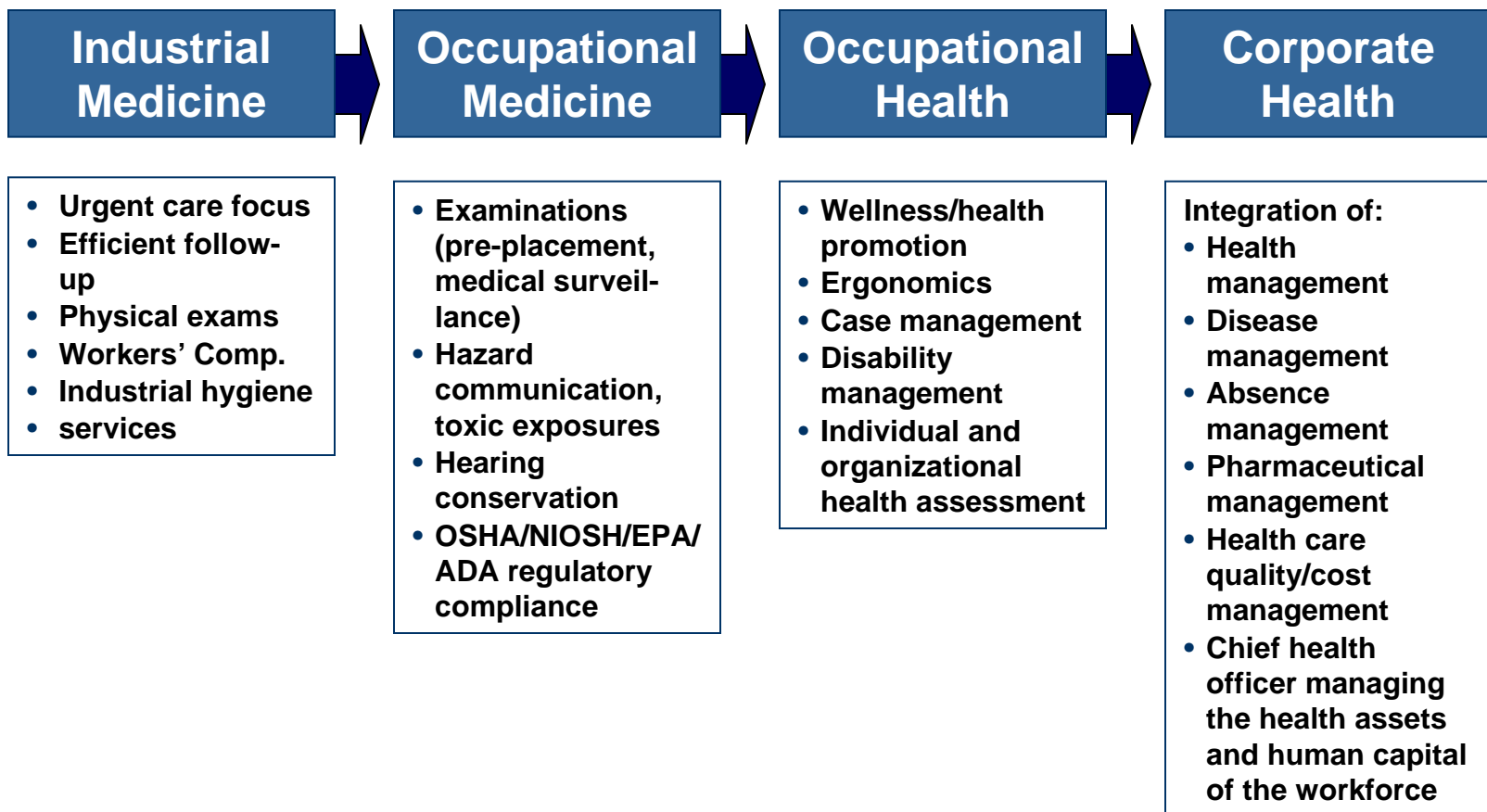
The Opportunity

Health Promotion and Health Protection

- Requires a Comprehensive Approach
 - Programs
 - Environment
 - Culture
- Similar Approaches
 - Application of Social and Behavioral Science
 - Targeted population

Evolution of Occupational Medicine

Transition to Corporate Health



Source: Presentation of Pamela Hymel, M.D., MBGH 2004 Annual Conference

From Ron Loeppke, M.D.

The Opportunity for the Occupational Health Professional

- Occupational medicine professionals are trained in population health management
- Occupational injury management expertise, transferable to non-work related arena
- Skills to analyze data to identify trends and target highest-impact interventions
- Understand the issues of the employee and employer
- Experts in the interaction of the work environment and the employee
- Provide valued services to employers that can be leveraged for access on broader issues

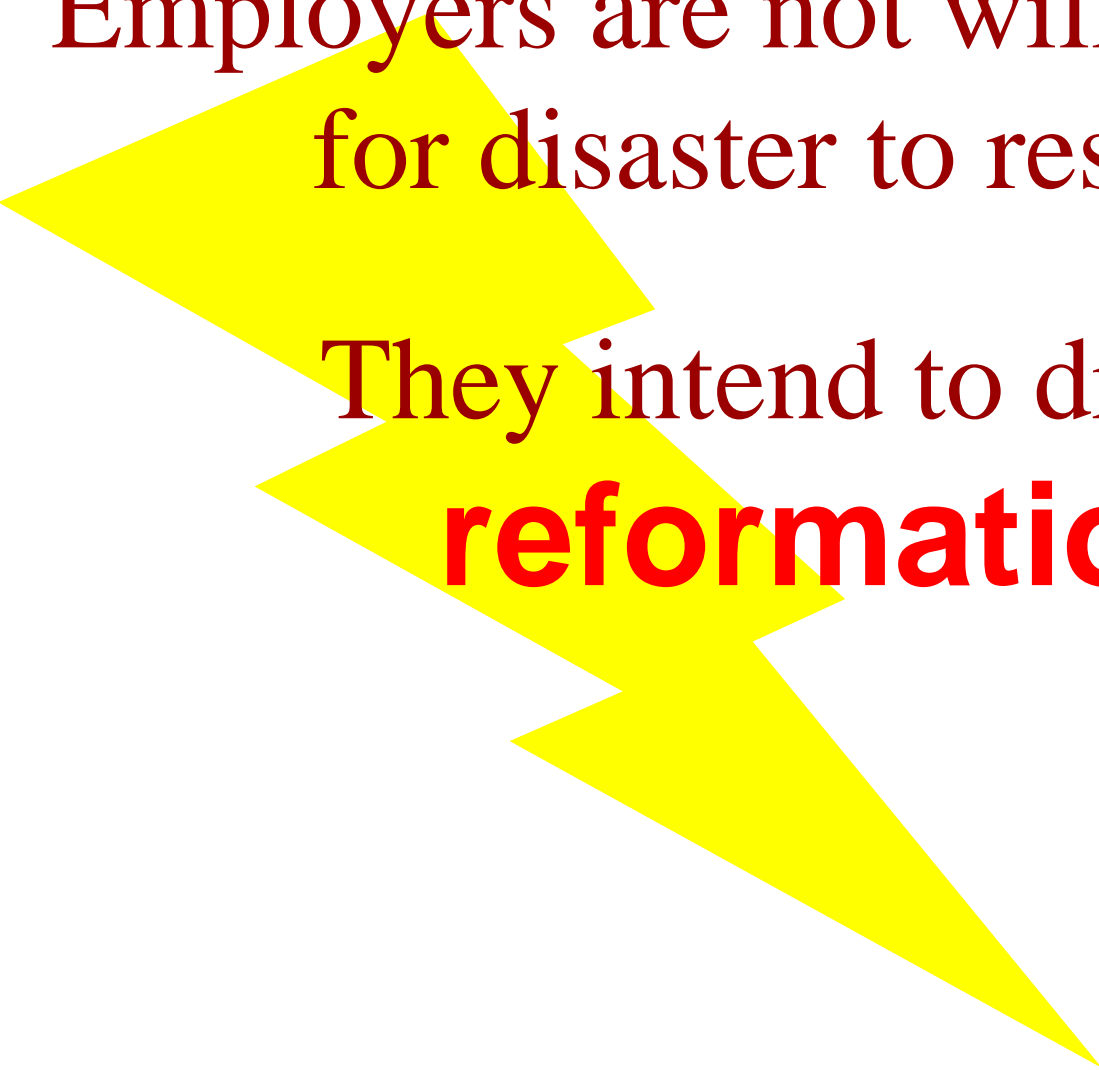
A relationship built on trust

Why Manage Human Capital?

Maximize the profitability of the organization!

- Health costs, Productivity and Safety are important issues
- Employers are providing health and safety information to employees
- Employers are influencing the health and safety of the workforce
- Employers can indirectly influence the health marketplace

Many times in unintended ways.



Employers are not willing to wait
for disaster to result...

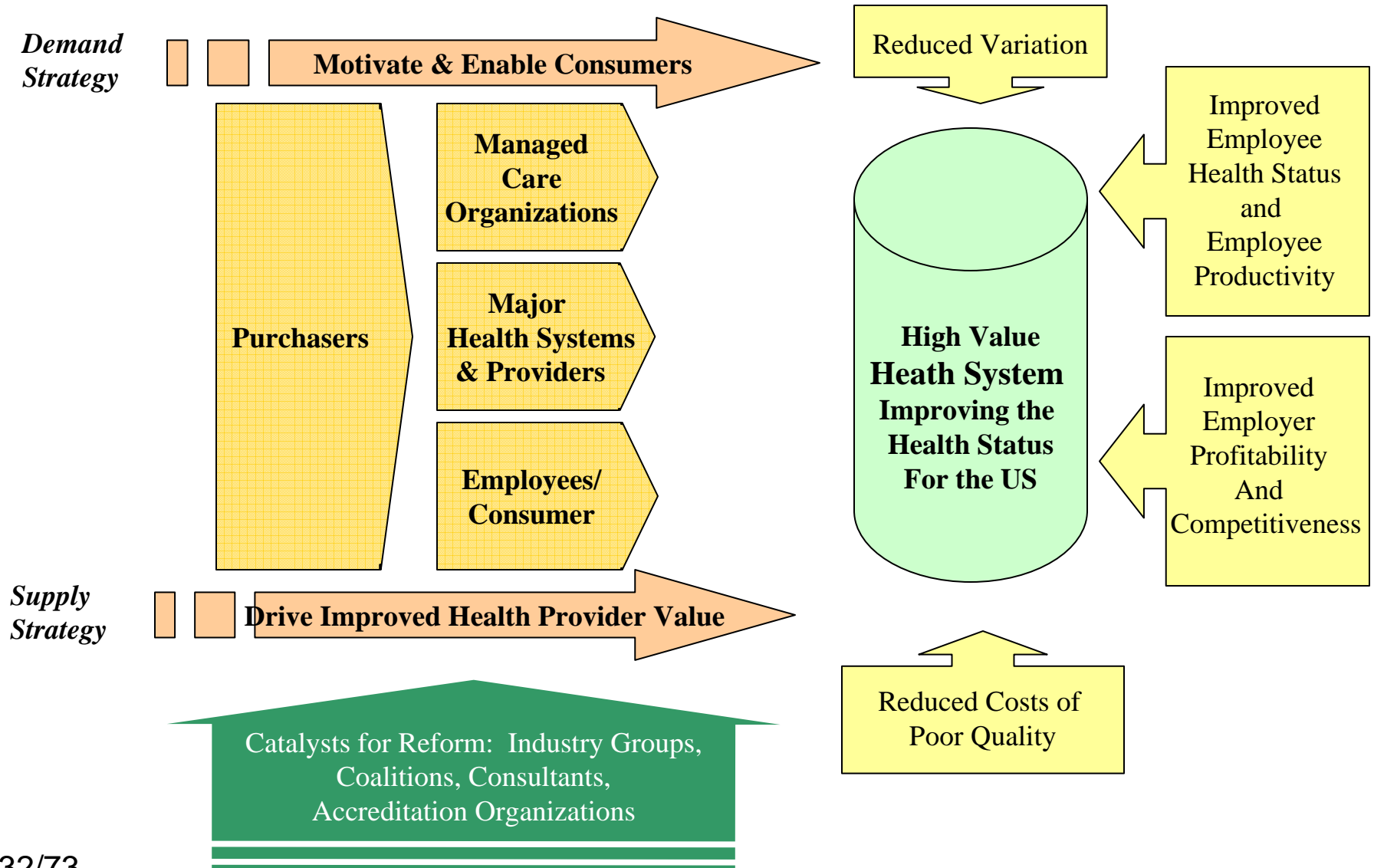
They intend to drive a
reformation

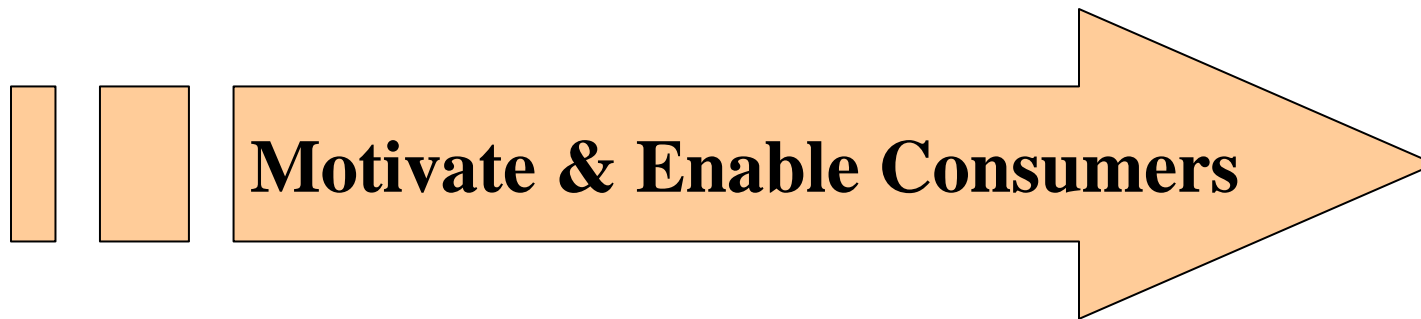
What Do We Know About Who Participates and Who Does Not Participate In Health Protection and Promotion?

Employers Championing the
Reformation
of the
Health System



“The Reformation” Process



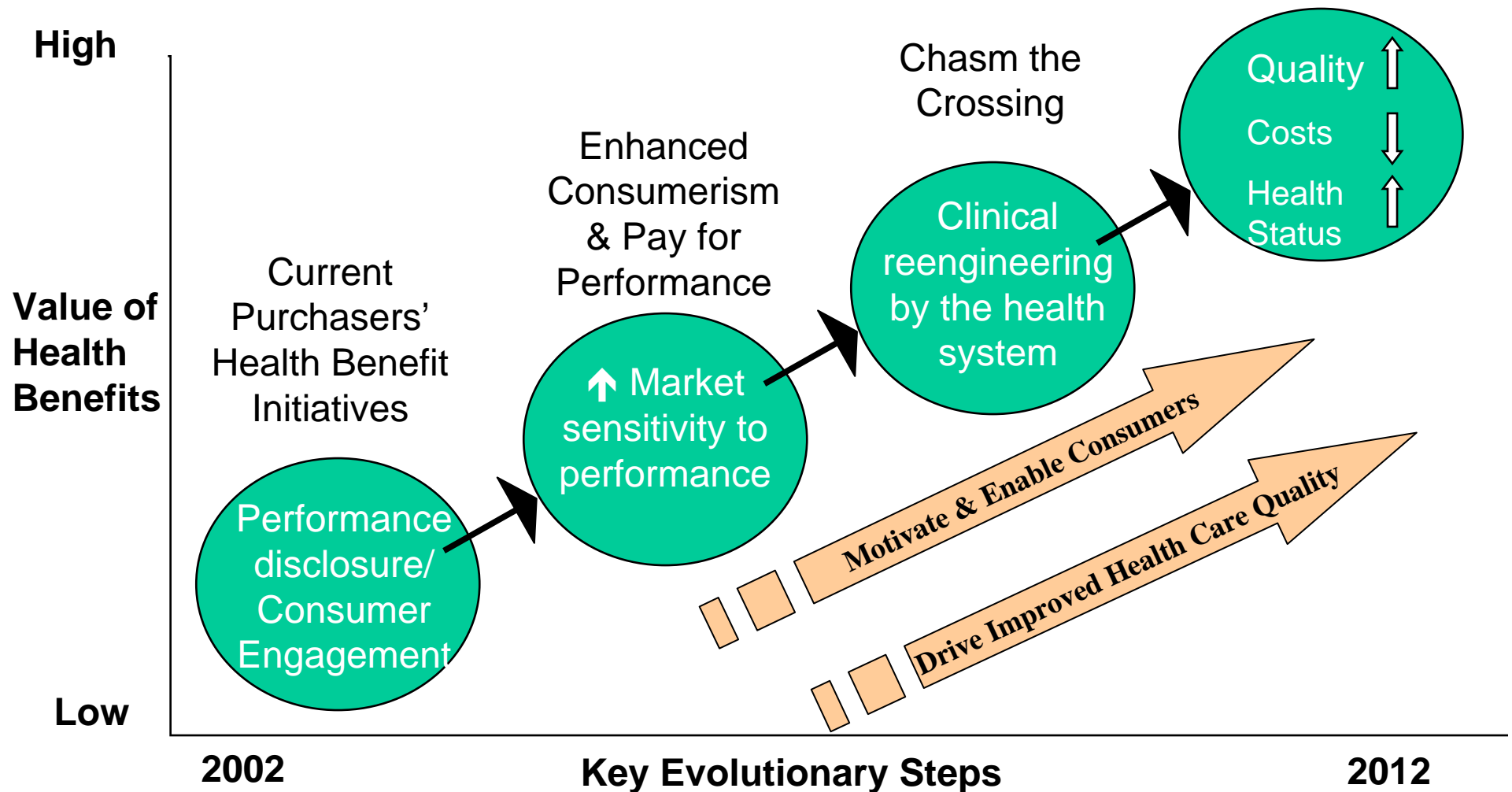


1. Provider Selection Decisions
 1. Consumer-Directed Health Plans
 2. Decision Support Tools
 3. The Data Transparency Movement
2. Personal Health Decisions
 1. Disease Management
 2. Health Promotion
 3. Medical Self-Care



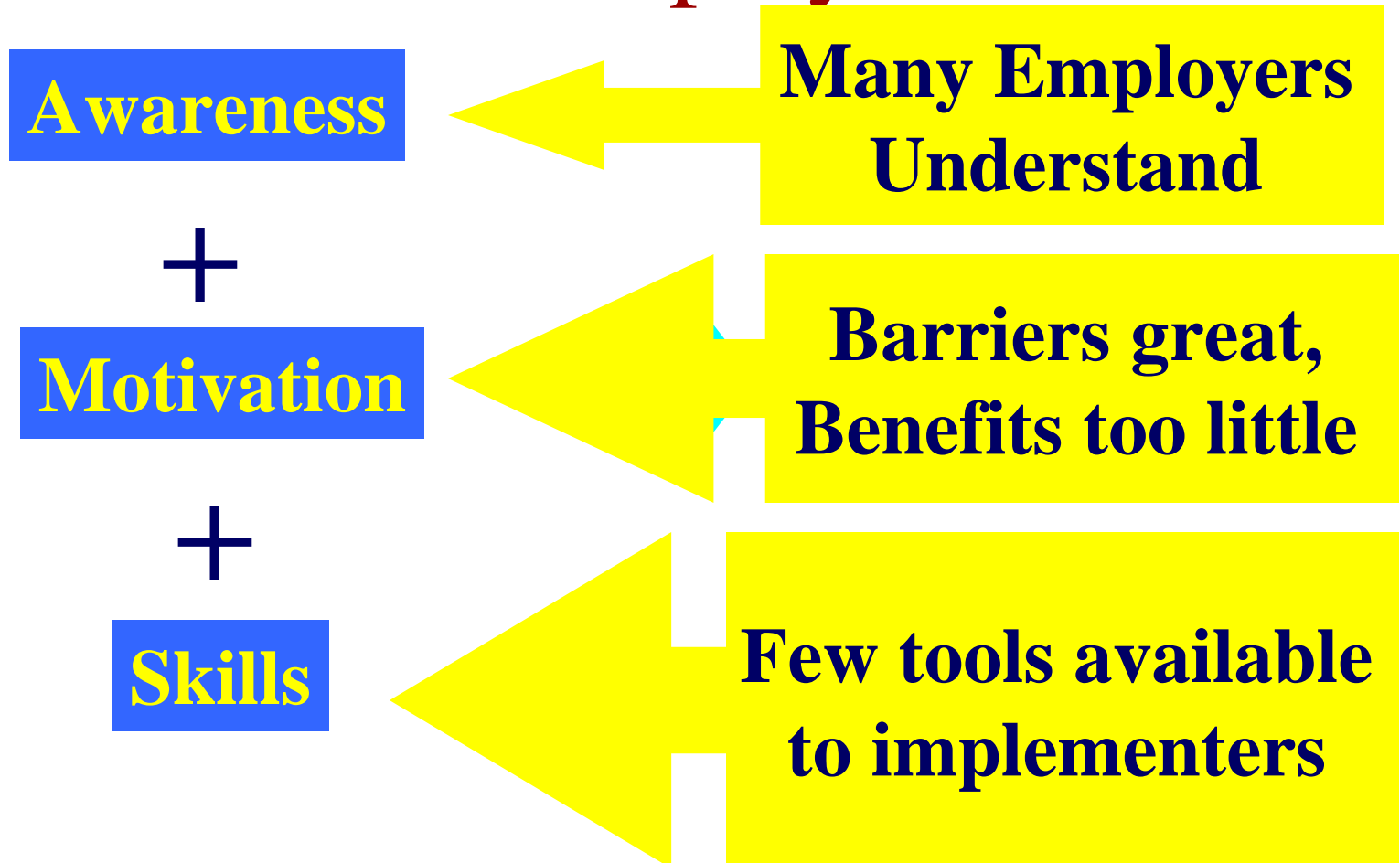
- **Responsible Purchasing**
 - Benefit design
 - Value-based purchasing
 - Total cost of health
- **Community Projects**
 - Pay for Performance
 - Data Collection
- **National Employer Initiatives**
 - Defining quality - Leapfrog

The Critical Pathway The High-Value Health System



Source: Adopted from the Disclosure Project

What needs to be accomplished to activate employers?



The barriers to managing Human Capital?

- Employers should get out of health care
- Not core business
- Risk avoidance
- Limited expertise in strategies
- Limited ability to predict impact with rationed resources
- Traditional sources of health management advice are not offering comprehensive integrated solutions

The Win-Win

- Health is not a zero-sum game
- The silos of Health Management must be broken down
- Value can be created for all
- Improved US health status is a win-win

For further information

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